Atlantic Canada Opportunities Agency

Agence de promotion économique du Canada atlantique

Atlantic Canada Opportunities Agency

2016-17

Report on Plans and Priorities

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

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Table of Contents

Ministers' Message 1

Section I: Organizational Expenditure Overview 3

- Organizational Profile 3
- Organizational Context 4
- Planned Expenditures 11
- Alignment of Spending with the Whole-of-Government Framework 13
- Departmental Spending Trend 14
- Estimates by Vote 14

Section II: Analysis of Programs by Strategic Outcome 15

- Strategic Outcome: A competitive Atlantic Canadian economy. 15
- Program 1.1: Enterprise Development 16
- Sub-Program 1.1.1: Innovation and Commercialization 18
- Sub-Program 1.1.2: Productivity and Growth 20
- Sub-Program 1.1.3: International Business Development 22
- Program 1.2: Community Development 24
- Sub-Program 1.2.1: Community Investment 26
- Sub-Program 1.2.2: Community-based Business Development 28
- Program 1.3: Policy, Advocacy and Coordination 30
- Sub-Program 1.3.1: Policy 32
- Sub-Program 1.3.2: Advocacy 34
- Sub-Program 1.3.3: Coordination 36
- Internal Services 38

Section III: Supplementary Information 41

- Future-Oriented Condensed Statement of Operations 41
- List of Supplementary Information Tables 42
- Tax Expenditures and Evaluations 42

Section IV: Organizational Contact Information 43

Appendix: Definitions 45

Ministers' Message

As Canada begins a new chapter in 2016-17, creating a culture of innovation is more important than ever in driving economic growth.

The recent name change of our Innovation, Science and Economic Development Portfolio recognizes this, placing a deliberate emphasis both on innovation and scientific discovery, and their equal importance for economic development nationally and throughout all of Canada's diverse regions.

We have promised Canadians a government that will bring real change – in both what we do and how we do it. We will invest in growing our economy, increase transparency and use the best evidence available to inform decision making.

Through the programs of the Innovation, Science and Economic Development Portfolio, we will work to develop and deliver an innovation agenda for Canada that will help improve our productivity performance, grow the economy and enhance our prosperity and well-being.

This 2016-17 *Report on Plans and Priorities* of the Atlantic Canada Opportunities Agency (ACOA) provides information on how the Agency will support the Government on achieving our agenda in the coming year and we are fully confident that ACOA is prepared to successfully support us and work with our partners inside and outside government to deliver for Canadians. However, given our commitment to more effective reporting, this year's report will be the final submission using the existing reporting framework.

The Prime Minister and the President of the Treasury Board are working to develop new, simplified and more effective reporting processes that will better allow Parliament and Canadians to monitor our Government's progress on delivering real change to Canadians. In the future ACOA's reports to Parliament will focus more transparently on how we are using our resources to fulfill our commitments and achieve results for Canadians.

These new reporting mechanisms will allow Canadians to more easily follow the Agency's progress toward delivering on our priorities, which were outlined in the Prime Minister's mandate letters to us.

The Honourable Navdeep Bains

Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan

Minister of Science

The Honourable Bardish Chagger

Minister of Small Business and Tourism

It is our pleasure to present the *Report on Plans and Priorities* for ACOA for 2016-17, which sets out how the Agency's work will contribute to attaining these shared objectives.

The Honourable Navdeep Bains	The Honourable Kirsty Duncan	The Honourable Bardish Chagger
Minister of Innovation, Science and Economic Development	Minister of Science	Minister of Small Business and Tourism
Mandate Letter	Mandate Letter	Mandate Letter

Section I: Organizational Expenditure Overview

Organizational Profile

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

Institutional Head:
Mr. Paul J. LeBlanc, President

Ministerial Portfolio:
Innovation, Science and Economic Development

Enabling Instrument:
Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C., 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*.
See the Department of Justice Canada website for more information.

Year of Incorporation:
1987

Organizational Context

Raison d'être

Established in 1987 (Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C., 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*), the Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

The Minister of Innovation, Science and Economic Development is responsible for this organization.

ACOA works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of Atlantic Canada. Together with Atlantic Canadians, it is building a stronger economy.

Responsibilities

ACOA plays an important role in developing and supporting policies and programs that strengthen the region's economy. Its responsibilities are stated in the Agency's legislation, which mandates the organization "to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region."[i] Although the Agency's policies and program tools have evolved since its inception, the overall goal remains constant. ACOA is dedicated to helping the Atlantic region realize its full economic potential in terms of productivity, innovation, competitiveness and growth. This is achieved by addressing structural changes in the economy, helping communities and businesses to overcome challenges, and capitalizing on opportunities. ACOA is committed to helping the region build its capacity and make the transition to a stronger economy.

The Agency provides services through its head office in Moncton, N.B., and throughout the Atlantic provinces, with four regional offices, located in the provincial capitals, and 23 local field offices. Through its Ottawa office, ACOA ensures that Atlantic Canada's interests are understood and reflected in the policies and programs developed by other departments and agencies of the federal government.

i. *Atlantic Canada Opportunities Agency Act,* R.S.C., 1985, c. 41, 4th Supp.

Strategic Outcome and Program Alignment Architecture

ACOA's strategic outcome – a competitive Atlantic Canadian economy – and its program alignment architecture (PAA) can be found below. The PAA is based on the results of policy research and analysis, the periodic assessment of program relevance and performance, ongoing dialogue with stakeholders in the region, and the priorities and direction of the Government of Canada.

1. **Strategic Outcome:** A competitive Atlantic Canadian economy.
    - **1.1 Program:** Enterprise Development
        - **1.1.1 Sub-Program:** Innovation and Commercialization
        - **1.1.2 Sub-Program:** Productivity and Growth
        - **1.1.3 Sub-Program:** International Business Development
    - **1.2 Program:** Community Development
        - **1.2.1 Sub-Program:** Community Investment
        - **1.2.2 Sub-Program:** Community-based Business Development
    - **1.3 Program:** Policy, Advocacy and Coordination
        - **1.3.1 Sub-Program:** Policy
        - **1.3.2 Sub-Program:** Advocacy
        - **1.3.3 Sub-Program:** Coordination

Internal Services

Organizational Priorities

Priority: Innovation and Export Development

Description: Focus ACOA's programs and services on initiatives that encourage Atlantic Canadian businesses to be more innovative and productive and to export more, creating jobs and wealth opportunities in the Atlantic economy.

Priority Type:[ii] Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Link to PAA
Enhance and implement ACOA's Innovation Strategy as part of the Government of Canada's Innovation Agenda. This includes strategic investments in areas such as business incubation and acceleration, technology adoption, growth-oriented firms and clean and sustainable technologies.	Ongoing	Ongoing	Enterprise Development / Policy, Advocacy and Coordination
Support small and medium-sized enterprises (SMEs), through the Atlantic Innovation Fund and the Business Development Program, to improve business productivity and competitiveness by helping firms innovate and commercialize, adopt and adapt technology and other efficiency measures, and enhance business management skills.	Ongoing	Ongoing	Enterprise Development
Assist Atlantic Canadian businesses and industries to expand into the global marketplace by increasing the range of their trading partners and exploring opportunities for international business development, including participation in global value chains and leveraging international trade agreements.	Ongoing	Ongoing	Enterprise Development

ii. "Priority Type" definitions:

- New: newly committed to for fiscal year 2016-17
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2014-15 or 2015-16)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2013-14 or earlier)

Priority: Community Development and Diversification

Description: Respond to distinct economic needs and opportunities of communities, including investments to help them transition and diversify.

Priority Type: Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Link to PAA
Work in partnership with key community stakeholders such as Community Business Development Corporations (CBDCs) to support the diversification of communities by helping to grow key sectors such as tourism and by supporting resource-based industries with a focus on innovation and value-added products and services.	Ongoing	Ongoing	Community Development
Work in collaboration with partners in the private sector and academia, community-based groups and other government departments to strengthen community planning and capacity building, invest in local infrastructure, and address community needs in areas that are vulnerable to the out-migration of skilled workers and an aging population.	Ongoing	Ongoing	Community Development
Continue support for official language minority communities and economic development with Atlantic indigenous communities.	Ongoing	Ongoing	Community Development / Policy, Advocacy and Coordination

Priority: Coordination

Description: Work with all levels of government, the post-secondary education system, businesses and other stakeholders, and through established legislative, regulatory and Cabinet processes, to deliver on the Government's top priorities and support strategic investments that build on the region's competitive advantages.

Priority Type: Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Link to PAA
Analyze regional competitive advantages, engage stakeholders and support key decision-makers with rigorous analysis and local intelligence to capitalize on opportunities in areas that show strong potential for development, including major projects; the renewable energy, clean technology and resource sectors; strategic infrastructure; high-growth firms; and other key growth sectors in Atlantic Canada.	Ongoing	Ongoing	Policy, Advocacy and Coordination
Ensure federal policies and programs in the primary resource sector take into consideration Atlantic Canadian competitiveness issues, including awareness of opportunities for regional value-added products in new and existing global markets.	Ongoing	Ongoing	Policy, Advocacy and Coordination
Maximize federal industrial benefits related to federal defence procurement opportunities such as the National Shipbuilding Procurement Strategy to help grow a robust aerospace and defence sector.	Ongoing	Ongoing	Policy, Advocacy and Coordination

For more information on organizational priorities, see the minister's mandate letter on the Prime Minister of Canada's website.

Risk Analysis

Risk	Risk Response Strategy	Link to PAA
Economic Context There is a risk that the achievement of results expected from the Agency's economic development programming may be affected by external factors that contribute to uncertainties for economic growth in Atlantic Canada.	Management will mitigate this risk through ongoing research and analysis of the factors affecting economic growth in Atlantic Canada and through ongoing intelligence gathering facilitated by the Agency's networks and regional presence. Management will capitalize on the flexibility of the Agency's programming, on its advocacy role and on its integrated planning process in order to proactively address the risks and opportunities presented by these uncertainties.	Enterprise Development / Community Development / Policy, Advocacy and Coordination
External Capacity There is a risk that partner, community and client capacity for the identification, development and successful implementation of strategic projects may not be sufficient to support the optimal achievement of ACOA's program objectives.	Management will mitigate this risk through ongoing research, analysis, intelligence gathering and information sharing. Management will also work closely with its partners and stakeholders to foster client and community capacity and to increase private-sector capital investment in the region. Management will capitalize on the Agency's integrated planning process in order to understand and strategically address differences in how this risk expresses itself across ACOA regions.	Community Development / Enterprise Development / Policy, Advocacy and Coordination

ACOA's work is driven by client requirements, strategic priorities and ever changing local and regional economic landscapes. These drivers give rise to uncertainties that can affect the Agency's ability to achieve expected results.

Economic growth in Atlantic Canada will be driven over the next few years by a combination of factors: the development of emerging and value-added sectors; significant investments in industrial projects; and global economic developments, including economic integration and innovation.

Atlantic Canada's economy continues to face several risks. As a small, open economy, international competition from low-cost producers will continue to challenge Atlantic Canada's manufacturing base and resource industries. An aging population will also have an impact on the region's labour force. Lower commodity prices could create additional challenges for investment projects in the region.

The above factors require businesses and communities in Atlantic Canada to become more competitive. The development and commercialization of innovative products and services, a continued focus on business skills development, and increased market diversification will enhance the region's productivity and competitiveness.

ACOA's organizational priorities reflect the above factors and the need for sound fiscal management and continuous improvement. ACOA's key risks and critical action plans support the Agency's work to address challenges and capitalize on opportunities in a manner that is integrated, strategic and responsive to each Atlantic province's circumstances.

In addition to its department-specific risks, ACOA monitors relevant Government of Canada risks and ensures that the Agency's response is aligned with whole-of-government strategies. Information management and information technology security represents an area of uncertainty given the frequency, complexity and severity of cyber-attacks. ACOA will mitigate this risk through information stewardship, the implementation of Government of Canada policies and procedures, proactive internal communications to promote employee awareness, and the timely implementation of security actions in response to cyber security threats.

Planned Expenditures

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
308,197,204	308,197,204	305,049,456	291,691,456

Human Resources (Full-Time Equivalents [FTEs])

2016-17	2017-18	2018-19
590	590	590

Budgetary Planning Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2013-14 Expenditures	2014-15 Expenditures	2015-16 Forecast Spending	2016-17 Main Estimates	2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
Strategic Outcome 1: A competitive Atlantic Canadian economy.							
1.1 Enterprise Development	180,674,018	173,992,156	178,652,400	172,961,681	172,961,681	170,781,524	165,894,524
1.2 Community Development	94,103,326	90,659,999	86,032,800	97,704,593	97,704,593	96,688,987	88,168,987
1.3 Policy, Advocacy and Coordination	10,634,165	12,444,235	11,518,900	11,740,443	11,740,443	11,789,209	11,838,209
Subtotal	**285,411,509**	**277,096,390**	**276,204,100**	**282,406,717**	**282,406,717**	**279,259,720**	**265,901,720**
Internal Services	28,746,598	28,176,701	28,386,100	25,790,487	25,790,487	25,789,736	25,789,736
Total	**314,158,107**	**305,273,091**	**304,590,200**	**308,197,204**	**308,197,204**	**305,049,456**	**291,691,456**

In the 2016-17 Main Estimates, the Agency's available funding is $308.2 million. This represents an increase of $3.6 million from 2015-16 forecast spending of $304.6 million. This variance is explained by:

- a $3.9 million decrease in parliamentary authorities received after the tabling of the 2015-16 Main Estimates but not yet adjusted in 2016-17
    - a $3.1 million decrease related to the collection of repayable contributions. An adjustment is required yearly to account for collections in excess of the base amount included in the reference levels; and
    - a $0.8 million decrease from the operating budget carry forward.

- a $7.5 million increase in temporary initiatives
    - an $8.3 million increase in funding to support the Canada 150 Infrastructure Program (CIP 150);[iii]
    - a $1.7 million decrease in funding to support specific projects in innovation, commercialization and community development in New Brunswick;
    - a $1.0 million increase in funding to support the Spruce Budworm Outbreak Intervention Initiatives – ACOA component; and
    - a $0.1 million decrease related to other minor adjustments.

In 2017-18, planned spending is $305.1 million, a $3.1 million decrease from the $308.2 million in 2016-17, due to:

- a $5.0 million decrease from reprofiling 2014-15 repayable collections;
- a $2.4 million increase in funding to support the Spruce Budworm Outbreak Intervention Initiatives – ACOA component; and
- a $0.5 million decrease for the conclusion of operational funding for the administration of the Building Canada Fund.

In 2018-19, planned spending is $291.7 million, a $13.4 million decrease from the $305.1 million in 2017-18, due to:

- an $8.3 million decrease in funding to support the CIP 150;
- a $4.9 million decrease in funding to support the Spruce Budworm Outbreak Intervention Initiatives – ACOA component; and
- a $0.2 million decrease in funding to support the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*.

iii. The Canada 150 Infrastructure Program is more commonly known as the Canada 150 Community Infrastructure Program.

Alignment of Spending with the Whole-of-Government Framework

Alignment of 2016-17 Planned Spending with the Whole-of-Government Framework (dollars)

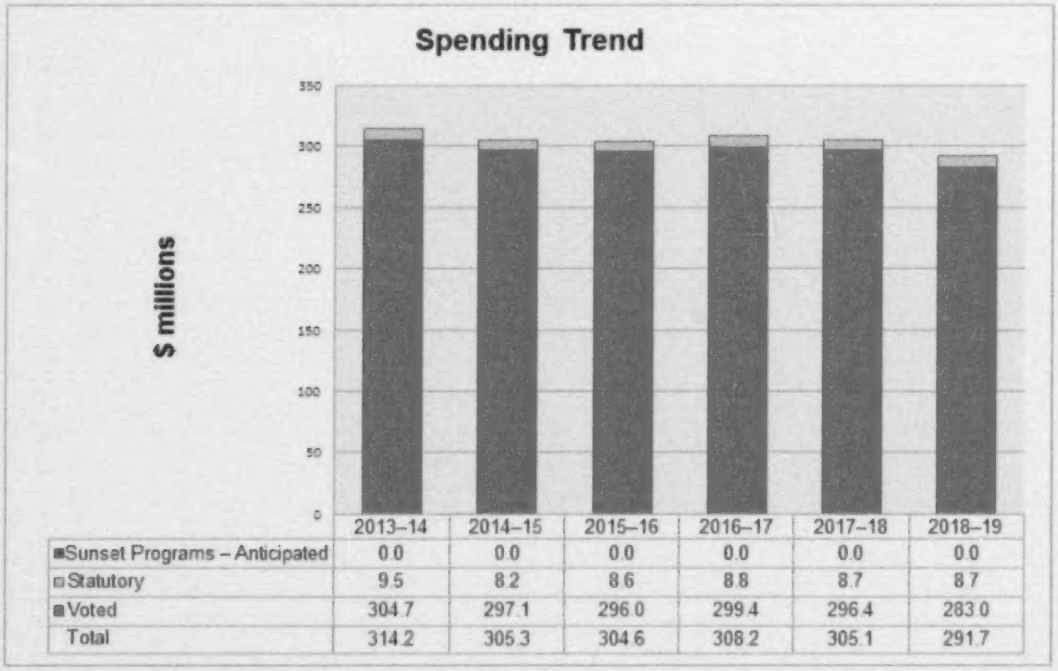
Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2016-17 Planned Spending
A competitive Atlantic Canadian economy.	1.1 Enterprise Development	Economic Affairs	Strong Economic Growth	172,961,681
	1.2 Community Development	Economic Affairs	Strong Economic Growth	97,704,593
	1.3 Policy, Advocacy and Coordination	Economic Affairs	Strong Economic Growth	11,740,443

Total Planned Spending, by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	282,406,717
Social Affairs	0
International Affairs	0
Government Affairs	0

Departmental Spending Trend

The figure below illustrates the Agency's actual spending for 2013-14 and 2014-15, forecast spending for 2015-16 and planned spending from 2016-17 to 2018-19.



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	0.0	0.0	0.0	0.0	0.0	0.0
Statutory	9.5	8.2	8.6	8.8	8.7	8.7
Voted	304.7	297.1	296.0	299.4	296.4	283.0
Total	314.2	305.3	304.6	308.2	305.1	291.7

The variation in planned spending is explained in detail in the previous section, Planned Expenditures.

Estimates by Vote

For information on ACOA's organizational appropriations, consult the *2016-17 Main Estimates*.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome:
A competitive Atlantic Canadian economy.

Performance Measurement

Performance Indicator	Five-Year Target 2013-14 through 2017-18	Date to be Achieved
Increase of Atlantic Canada's gross domestic product (GDP) for every dollar of ACOA expenditure in direct support of business	$4.50	March 31, 2018

A competitive Atlantic Canadian economy increases opportunities for economic development in the region, specifically through the growth of earned incomes and employment opportunities. Productivity is an important determinant of competitiveness and a strong source of long-term prosperity for a region. Competitiveness and productivity are critical factors that allow companies and communities to adapt to changing global conditions. The Agency works with businesses and communities to help them become more competitive, innovative and productive, while identifying and responding to opportunities and challenges in the Atlantic Canadian economy.

Program 1.1: Enterprise Development

Description

Despite recent economic progress and some promising opportunities on the horizon (e.g. energy, shipbuilding), some significant challenges remain for the region to maximize positive growth. One of the most telling indicators of this is that in a number of sectors, productivity remains significantly lower than in leading countries and other regions of Canada. The Agency works in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada's economy, leading to increased competitiveness, higher earned incomes and job creation. The Agency works to improve the capacity of Atlantic Canada's rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly small and medium-sized enterprises, to start, expand or modernize and to establish or expand export activities; partnering with universities and other institutions to increase the region's research and development capacity, commercialization and productivity; and promoting and participating in the region's transition to a knowledge economy.

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
172,961,681	172,961,681	170,781,524	165,894,524

Human Resources (FTEs)

2016-17	2017-18	2018-19
214	214	214

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Improved growth and competitiveness of Atlantic Canadian small and medium-sized enterprises	Percentage points by which the business survival rate of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	10	March 31, 2017
	Percentage points by which the labour productivity growth of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	3	March 31, 2017

Planning Highlights

In 2016-17, the Agency will continue to support innovation and the commercialization of new products and services, improvements in business productivity and growth, as well as the development of international business opportunities and export markets.

The Agency's investments in innovation and commercialization will support the research and development of new technologies, products, services and processes, and their commercialization in the marketplace. As well, the Agency will collaborate with key partners in the development of an innovation agenda. ACOA's investments will contribute to leveraging funds from the private sector and other sources toward innovation projects, will encourage the development of partnerships for technology development, and will increase revenues from the commercialization of products and services.

The Agency will support productivity and growth initiatives that provide information, financing and business skills development opportunities to enable Atlantic Canadians to start and grow businesses, innovate and become more productive. This includes continued investments in technology, lean manufacturing initiatives, and business expansion and modernization. ACOA will also be building on the results of a 2015 evaluation to develop an overall productivity and growth framework.

In the area of international business development, the Agency will implement a renewed approach to further develop Atlantic Canadian companies' international business capabilities by helping them acquire the tools and support they need to access and be successful in international markets. This will include investments in skills development and training, planning, networking and marketing. Foreign direct investment efforts will also continue to promote Atlantic Canada as a profitable place to do business.

Sub-Program 1.1.1: Innovation and Commercialization

Description

Raising the levels of research and development and of innovation in the region is fundamental to increasing Atlantic Canada's competitiveness and to closing the productivity gap with the rest of the country. The Agency invests in innovation and commercialization by supporting the research and development of new products, services and processes as well as their commercialization in the marketplace. The Agency also provides support for the adoption and adaptation of leading-edge technologies. Clients include businesses and organizations such as universities and research institutes. This sub-program uses funding from the following transfer payments: the Atlantic Innovation Fund (AIF) and the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
89,683,228	92,181,155	87,281,155

Human Resources (FTEs)

2016-17	2017-18	2018-19
76	76	76

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Strengthened innovation and commercialization capacity in Atlantic Canada	Amount leveraged per dollar invested by ACOA in innovation projects	$1.25	March 31, 2017
	Number of key collaborators for technology development and commercialization through Atlantic Innovation Fund projects	15	March 31, 2017
		Five-year Target 2015-16 through 2019-20	
	Dollar amount of revenues resulting from commercialization	$150,000,000	March 31, 2020

Planning Highlights

ACOA will continue to work closely with businesses, universities and research institutions to foster an environment where innovation can help drive the Atlantic Canadian economy.

In 2016-17, ACOA will continue to ensure that the Atlantic Innovation Fund remains effective, timely and responsive to client needs. The Agency will focus on innovation and research and development that lead to new technologies, products, processes or services that contribute to economic growth in Atlantic Canada.

ACOA's investments will, among other things, contribute to leveraging funds from the private sector and other sources for innovation projects. They will also encourage the development of partnerships for technology development and increase revenues from the commercialization of new technologies, products, processes and services.

As a means of increasing the number of successful and growing innovative firms, the Agency will continue to support elements of the innovation ecosystem. This includes programming and support services offered by incubators and accelerators, which allow firms and institutions to successfully commercialize their technologies, products, processes and services and compete globally. ACOA will also work to develop and implement action plans for the aquaculture and clean technology sectors.

Sub-Program 1.1.2: Productivity and Growth

Description

The Agency invests in productivity and growth to enhance Atlantic Canadians' access to the information, business skills and financing they require to start and/or grow a business. This enables businesses to get established, become more productive and grow, which generates wealth and jobs in the economy. Investments in productivity and growth are made directly by helping businesses to increase competitiveness through activities such as productivity improvement, expansion, modernization, business skills development, training and hiring skilled personnel, and indirectly through contributions to non-profit organizations such as business and economic development associations that undertake activities that foster business productivity and growth. The Agency also administers Canada Business, which acts as a comprehensive source of information on government services, programs, regulations and resources for businesses. By reducing the complexity of dealing with various levels of government, Canada Business plays a role in the business development process. This sub-program uses funding from the following transfer payment: the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
59,769,621	54,968,593	54,968,593

Human Resources (FTEs)

2016-17	2017-18	2018-19
85	85	85

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Enhanced Atlantic Canadian small and medium-sized enterprises' productivity and growth capacity	Amount leveraged per dollar invested by ACOA in commercial Productivity and Growth projects	$1.50	March 31, 2017
	Percentage of participants in business skills development activities indicating that the activity improved their business skills	85%	March 31, 2017
	Percentage points by which the growth in sales of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	3	March 31, 2017

Planning Highlights

ACOA will continue to ensure that Atlantic Canadians have access to opportunities to secure the financing and support they need to start and grow their businesses and become more productive in order to spur economic growth, job creation and prosperity.

Productivity is about how firms invest in resources such as labour, skills, raw materials and capital equipment to produce goods and services, thus leading to more efficient production, increased value and higher incomes. In order to ensure that ACOA programming continues to support SME productivity needs, and to ensure continued alignment with complementary government programs, ACOA will develop a productivity and growth framework that builds on internal research and knowledge, best practices, regional competitive advantages and the results of a 2015 Productivity and Growth Sub-program evaluation.

The Agency will invest in projects that assist SMEs in hiring skilled personnel to help them address specific business challenges, in modernizing their operations through the adoption of technology, and in incorporating continuous improvement initiatives so they can increase their competitiveness. In addition, ACOA will continue to support SMEs to enable them to capitalize on opportunities arising from planned major projects in Atlantic Canada.

ACOA will continue to provide funding to non-commercial entities such as business support organizations and educational institutions that, in turn, undertake activities that enable existing and future entrepreneurs to develop the business and management skills they need to start a company, enhance productivity and improve capacity for growth. These activities will focus on areas such as counselling, mentoring and training to foster entrepreneurship and high-growth firms, including those led by young entrepreneurs.

The Agency will also ensure that Atlantic Canadians have continued access to timely and accurate business information via the Canada Business Network, including information on federal and provincial government programs and resources for business.

Sub-Program 1.1.3: International Business Development

Description

Canada's Global Markets Action Plan identifies global value chains and new economic forces as offering opportunities while recognizing increased competition for Canada. To strengthen the country's position in international markets, the strategy prescribes taking advantage of emerging global opportunities and reinforcing Canada's image internationally as a preferred business partner and premier investment destination. Consistent with this strategy, the Agency pursues international opportunities with a view to increasing the number of exporters and the volume of export sales, to attracting foreign direct investment and to supporting the international commercialization of technology. Further, the Agency promotes Atlantic Canada abroad as a world leader in energy production, export and research, as a centre of innovation, as a skilled labour pool, as a reliable supplier of quality products at competitive prices and as the gateway to the North American market. The Agency also plays a role in coordinating the efforts of federal, provincial and private-sector organizations in Atlantic Canada in pursuing international business opportunities. Clients include businesses, non-profit organizations, learning and research institutions, and provincial governments. This sub-program uses funding from the following transfer payment: the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
23,508,832	23,631,776	23,644,776

Human Resources (FTEs)

2016-17	2017-18	2018-19
53	53	53

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Expanded export activity by small and medium-sized enterprises in Atlantic Canada	Percentage of commercial International Business Development projects that met expectations, thus contributing to expanded export activity	75%	March 31, 2017
	Percentage of small and medium-sized enterprises that expanded their international sales within 12 months of participating in an International Business Development activity	50%	March 31, 2017

Expected Result	Performance Indicator	Annual Target *2016-17*	Date to be Achieved
New foreign direct investment opportunities in Atlantic Canada	Number of foreign direct investment transactions completed (deals closed) where ACOA's support contributed to bringing the project to fruition	8	March 31, 2017

Planning Highlights

ACOA will continue to align itself with Government of Canada priorities as well as implement a renewed approach to providing Atlantic Canadian businesses with the tools, access and support they need to succeed in global markets. Through this alignment, the Agency's International Business Development programming will be able to capitalize on emerging opportunities to ensure that SMEs in the region can compete globally. The Agency will also continue to work with non-commercial partners in the private sector, academia, provincial governments and other federal departments to develop initiatives aimed at building the export capacity of Atlantic Canadian SMEs as well as to promote Atlantic Canada as a profitable place to do business in foreign direct investment efforts.

Exporting remains one of the region's leading engines of economic growth. It builds revenues, fuels business growth and generates jobs. Given the region's small domestic market, international business is a significant contributor to its economy. The Agency contributes to the region's performance by strengthening the capabilities of SMEs, helping them to enter global markets and fostering their international business results. Other initiatives include identifying and nurturing industry sectors with high export potential and exploring and developing opportunities in new markets.

The overall objective of this sub-program is to increase the international business activity of SMEs and the region. ACOA will achieve this by exposing companies and industry sectors to international market opportunities and ensuring they are well prepared by developing long-term strategies and implementation plans for markets abroad and by improving accessibility to stakeholders' research, contacts and opportunities. It will also support business activities that lead to increased sales for SMEs and directly engage Canadian embassies and missions abroad to highlight opportunities for accessing Atlantic Canada's resources and generate new investment. Efforts to promote the region as a profitable place to do business will continue through international business development missions, website marketing and participation in key industry conferences, and by hosting familiarization tours and organizing outreach events.

Program 1.2: Community Development

Description

The Atlantic economy is built on the region's many geographic, linguistic and cultural communities. From rural areas to larger urban centres, the opportunities and challenges vary significantly. Communities are the foundation of economic development and are critical for economic prosperity. The Agency recognizes the importance of communities and supports their efforts to develop the resources they need to contribute fully to their economic development. For these reasons, the Agency focuses community development efforts and strategies to create dynamic and sustainable communities with increased economic and business activities as well as quality public infrastructure. The Agency develops and delivers programming that meets the unique economic development needs of rural areas in Atlantic Canada and that contributes to a stronger region. The Agency collaborates with the private sector, other levels of government, other federal government departments, educational institutions, non-profit organizations and communities to leverage support, coordinate economic development, identify and capitalize on emerging opportunities and react to economic challenges across the region. This requires a flexible approach based on the realities of a given community's capacities, strengths and challenges.

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
97,704,593	97,704,593	96,688,987	88,168,987

Human Resources (FTEs)

2016-17	2017-18	2018-19
101	101	101

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Dynamic and sustainable communities in Atlantic Canada with increased economic and business activity	Percentage of Community Development (CD) projects that met expectations, thus contributing to the CD expected result	80%	March 31, 2017
	Percentage points by which the business survival rate of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	10	March 31, 2017

Planning Highlights

ACOA will continue to work with communities, community economic development networks, and provincial and municipal governments to stimulate economic development benefiting the region's rural and urban areas. This will involve strategic investments that build on competitive regional advantages and support the diversification of the various communities throughout Atlantic Canada.

To stimulate economic development at the community level, ACOA uses its suite of programs, in particular the Innovative Communities Fund, the Community Futures Program, the Business Development Program, and the CIP 150. Through these funding mechanisms, the Agency will make strategic investments designed to revitalize communities throughout the region and to improve the productivity and competitiveness of Atlantic Canadian SMEs. The Agency's focus in the area of community infrastructure will be to support projects that enhance economic opportunities. In addition, ACOA will collaborate with Infrastructure Canada on the continued delivery of infrastructure programs.

ACOA will continue to support community-based business development organizations such as Community Business Development Corporations (CBDCs) by providing them with investments and tools essential to building strong communities.

Furthermore, ACOA will build on its relationship with Atlantic Canada's official language minority communities in implementing the Economic Development Initiative that is part of the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*. It will also work with indigenous stakeholders to identify investments that support strategic economic development for indigenous communities.

Finally, the Agency will strive to grow the tourism industry's contribution to the region's gross domestic product by strengthening partnerships between the private and public sectors so that strategic investments contribute to increased profitability, sustainability and wages.

Sub-Program 1.2.1: Community Investment

Description

To be sustainable and to grow, communities must take responsibility for their own economic development future. They must have the capacity and resources available to them at a local level to lead the community development process as well as to invest in those initiatives that stimulate their economic development. These communities include geographic communities and communities of interest such as industry sectors, non-profit organizations and Aboriginal and francophone organizations. The Agency works with these communities, assisting them to develop their own vision for economic growth through targeted planning and by making strategic investments toward increasing the human capacity present in the community, including skills development, training and coordination, as well as physical capacity (i.e. community infrastructure). This sub-program uses funding from the following transfer payments: the Innovative Communities Fund (ICF), the Business Development Program (BDP).[iv]

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
79,895,407	78,879,854	70,359,854

Human Resources (FTEs)

2016-17	2017-18	2018-19
84	84	84

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Communities respond to economic and business development opportunities and challenges	Amount leveraged per dollar invested by ACOA in Community Investment projects	$1.50	March 31, 2017

Planning Highlights

The economic vitality of a region is influenced by its capacity to respond to local and global economic opportunities and challenges. Under its Community Investment programming, the Agency contributes to the economic development of mainly rural communities in Atlantic Canada by supporting initiatives that assist them in building their

iv. From April 1, 2016, until March 31, 2018, this sub-program will also use funding from the CIP 150 transfer payment.

capacity to respond to these opportunities and challenges. This includes supporting critical infrastructure that fosters a milieu for businesses to develop and grow while offering necessary amenities to communities. It also entails leveraging capital investments in sector growth initiatives that help expand the regional economy. In 2016-17, the Agency will continue to encourage partnerships between communities, provinces and stakeholders at the local level to pull together the necessary resources to realize projects with a greater economic impact. These projects will have a particular focus on growing key priority sectors as well as contributing to the realization of strategic community infrastructure projects.

An emphasis will be placed on the delivery of the two-year CIP 150. Through ACOA's allocation of $16.6 million, investments will assist in the modernization of community infrastructure facilities throughout Atlantic Canada.

ACOA's Strategic Tourism Expansion Program will strengthen the tourism industry by guiding rural communities through the process of building and executing a strategic and sustainable tourism action plan.

By engaging with official language minority communities through its many networks and points of service, ACOA will identify investments that will enhance the vitality of those communities via its regular programs as well as through the delivery of the Economic Development Initiative under the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*.

The Agency will pursue its collaboration with indigenous organizations to identify investments that will strengthen indigenous entrepreneurs and the competitiveness of their businesses.

It will also pursue its close co-operation with Infrastructure Canada in the administration of the Building Canada Fund – Communities Component, which ends in 2017.

Sub-Program 1.2.2: Community-based Business Development

Description

The lack of business capital available in rural regions of Canada has the potential to be a significant economic development barrier. It impedes the establishment and expansion of small businesses that are essential to the vitality and sustainability of communities in rural areas. The Agency provides targeted support to community-based non-profit organizations to address investment capital gaps that focus on small businesses. The Agency provides contributions to a network of Community Business Development Corporations (CBDCs) in Atlantic Canada that are run by community-based volunteer boards of directors. CBDCs provide an essential source of investment capital that focuses on small rural businesses as well as services that include business counselling and skills development. In addition, the Agency assists Aboriginal communities by improving access to capital for small and medium-sized Aboriginal businesses. This sub-program uses funding from the following transfer payments: the Community Futures (CF) program, the Innovative Communities Fund (ICF) and the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
17,809,186	17,809,133	17,809,133

Human Resources (FTEs)

2016-17	2017-18	2018-19
17	17	17

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Strengthened and expanded businesses	Percentage points by which the employment growth of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	2	March 31, 2017
	Percentage points by which the growth in sales of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	5	March 31, 2017

Planning Highlights

In 2016-17, ACOA will continue to invest in community-based business development organizations to ensure Atlantic Canadian businesses located in rural areas have access to the capital, information and counselling they need and that are essential to the vitality and sustainability of communities.

The Agency will continue to foster a collaborative results-based management approach to ensure value for money with organizations such as CBDCs. This includes the continuous improvement of the Community Futures of Tomorrow model as part of a collaborative joint oversight committee. The immediate impact of ACOA's investments will be measured by the percentage of funding in business loans, the number of loans approved and the number of clients who have taken part in training or business counselling.

To help Atlantic Canadian businesses become more productive and competitive, the Agency will engage with stakeholders to look at ways to enhance the adoption, development and commercialization of new technologies by rural SMEs supported by CBDCs. In collaboration with these stakeholders, ACOA will encourage more lending in high-priority areas such as innovation, youth and first-time entrepreneurs.

ACOA will pursue its close collaboration with CBDCs to enhance their contribution in support of rural businesses, with effective tools such as consultant advisory services, as well as the provision of capital and business training. ACOA will also work with designated urban organizations to provide capital and business training targeting youth.

Indigenous communities remain one of ACOA's areas of focus for community development. The Agency will continue to work to identify investments that support strategic priorities listed in the Federal Framework for Aboriginal Economic Development.

Program 1.3: Policy, Advocacy and Coordination

Description

The Agency's Policy, Advocacy and Coordination (PAC) program is central to identifying and effectively responding to opportunities and challenges facing the regional economy. PAC provides intelligence, analysis and well-grounded advice on a broad range of issues and topics, and it informs and supports Agency and ministerial decision making. PAC helps carry the Agency's agenda forward and ensure that ACOA overall remains relevant and responsive to the opportunities and challenges in Atlantic Canada by offering strategic, researched policy positions that reflect the region's potential, by influencing national policies and programs that affect Atlantic Canada's development and interests, and by coordinating other policies and programs within the region to form integrated approaches to development.

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
11,740,443	11,740,443	11,789,209	11,838,209

Human Resources (FTEs)

2016-17	2017-18	2018-19
68	68	68

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Policies and programs that strengthen the Atlantic economy	Percentage of Policy, Advocacy and Coordination (PAC) activities that have met their objectives, thus contributing to the PAC expected result	75%	March 31, 2017

Planning Highlights

In 2016-17, the Agency will continue to play a critical role in delivering on the federal agenda and reflecting the Government's national priorities in Atlantic Canada by conducting policy research and analysis and by providing sound policy advice. Research and analysis will focus on the opportunities and challenges related to the region's economy, such as demographics, community economic development, innovation, high growth firms, and trade with European and Asian markets. The Agency will also consider factors influencing the ability of SMEs to participate in global value chains, such as business skills, competitiveness, productivity, innovation and commercialization, and international business development. Key industries such as services, tourism, natural

resources, deepwater offshore development, clean and renewable energy resources, and clean technology will also be examined.

The Agency will advocate for Atlantic Canada in national policy and program development, ensuring that the region's interests are considered in federal decision making and that regional stakeholders are informed of federal government actions and of opportunities relevant to the region. The Agency will work to help Atlantic Canadian SMEs improve innovation and commercialization outcomes and position themselves to take advantage of opportunities related to free trade agreements and federal strategies. The Agency's advocacy efforts will also aim to leverage industrial benefits for Atlantic Canadian SMEs from defence and Canadian Coast Guard procurements.

In its coordination role, the Agency will work with other federal departments, the Atlantic Provinces and other stakeholders to improve the climate for business and to capitalize on growth opportunities in the region, such as the shipbuilding initiative and other major projects. Federal and provincial collaboration will continue on issues such as skills development and international business development. Under the leadership of the Atlantic Canada Energy Office, the Agency aims to facilitate the development of the region's energy sector by fostering collaboration, common understanding and communication among the public and private sectors. ACOA will continue to work with other federal departments and agencies to bring a coordinated approach to tourism development in Atlantic Canada and to support a national innovation agenda. Finally, the Agency will continue to help coordinate the work of federal departments in the region by leading the Atlantic Federal Council.

Sub-Program 1.3.1: Policy

Description

Policy provides a solid base of understanding for the development of the Agency's strategic priorities and initiatives, program design and input to national policy development and federal-provincial relations. This includes policy analysis and advice (including the development of policies and frameworks), economic analysis, research and stakeholder engagement. The policy function is carried out by officials in Moncton and Ottawa, as well as those in the regional offices located in the capitals of each Atlantic province. The Agency's policy work is supported in part by a dedicated Agency fund that contributes to building policy research capacity in Atlantic Canada. This sub-program uses funding from the following transfer payments: the Atlantic Policy Research Initiative (APRI) and the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
6,117,296	6,117,182	6,117,182

Human Resources (FTEs)

2016-17	2017-18	2018-19
33	33	33

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Well-informed policy decisions reflecting opportunities and challenges of the Atlantic Region's economy while considering enterprise and community development potential	Percentage of Policy activities that have met their objectives, thus contributing to the Policy expected result	80%	March 31, 2017

Planning Highlights

ACOA will contribute to the development of a competitive Atlantic Canadian economy and support program delivery, advocacy and coordination activities through its policy research, analysis and engagement activities, which provide the foundation for the development of strong policies and programs. The Agency's Policy function plays a vital role in providing a better understanding of Atlantic Canada's economic environment and of the issues, challenges and opportunities facing the regional economy.

ACOA will conduct research and analysis on issues and trends in areas such as demographics, migration, productivity, high growth firms, business skills, service industries, innovation and commercialization, community development, aquaculture, clean technology, trade with European and Asian markets, and major projects relating to energy, mining and shipbuilding. The Agency will continue to undertake macroeconomic, microeconomic and fiscal analyses.

APRI is a primary tool for engaging with research partners and stakeholders. Agency efforts through APRI will lead to increased knowledge in priority areas such as the linkages between entrepreneurship and economic development and how the region performs compared to other jurisdictions; the mobility of international students and Atlantic Canada's labour force needs; the success factors for high growth firms; the factors and considerations of regional co-operation and integration; and the potential value of import replacements as a tool for community development.

The Agency will also pursue a number of engagement and outreach efforts with the federal and provincial governments, the private sector, industry associations and academic partners to ensure that SMEs are well positioned to capitalize on opportunities related to major projects and developments in international trade.

ACOA will continue to support the Agency's president in his role as the chair of the Organisation for Economic Co-operation and Development's Regional Development Policy Committee, the main international forum for the exchange of ideas in the field of regional development policy.

Sub-Program 1.3.2: Advocacy

Description

Federal decision-makers must understand and consider Atlantic Canada's interests, and regional stakeholders must remain well-informed of federal government actions and of opportunities that are relevant to the economic interests of the region. The Agency's advocacy activities aim to advance the region's interests in national policy and program development. In the case of federal government procurement, particularly major Crown projects, the Agency advocates to leverage industrial benefits for small and medium-sized Atlantic Canadian businesses.

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
3,911,042	3,959,966	4,008,966

Human Resources (FTEs)

2016-17	2017-18	2018-19
22	22	22

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Atlantic enterprise and community development interests are considered in emerging and changing federal economic policies, programs and regulations	Percentage of Advocacy activities that have met their objectives, thus contributing to the Advocacy expected result	75%	March 31, 2017

Planning Highlights

In 2016-17, ACOA will advocate for strategies that support areas of regional competitive strengths and national policies and programs that encourage Atlantic Canadian businesses to become more innovative, productive and competitive in the global marketplace. ACOA will continue its work to advocate for national programs and activities that are responsive and relevant to Atlantic Canada's priorities and that address issues such as demographic challenges and natural resource development. At the same time, the Agency will emphasize its critical role in delivering the federal agenda in Atlantic Canada.

The Agency will work to identify opportunities flowing from international trade policies and programs such as the Canada and European Union (EU) Comprehensive Economic

and Trade Agreement. It will also ensure its activities support national strategies to expand and develop new international markets for Atlantic Canadian businesses.

ACOA will work with other federal departments to develop an innovation agenda to support the commercialization of ideas. ACOA will advise on the design of federal policies, programs and investments to improve commercialization outcomes in the region and will advocate for the effectiveness of federal innovation programs and the strengthening of the regional innovation ecosystem. ACOA will collaborate with federal departments to identify strategic investments that can build on competitive regional advantages and help growing export-oriented companies succeed.

ACOA will help Atlantic Canadian SMEs position themselves to take advantage of opportunities related to the National Shipbuilding Procurement Strategy and will work with public- and private-sector partners to deliver supplier development initiatives and provide opportunities for SMEs to engage with key stakeholders. ACOA will also continue to assist the development of the Atlantic Canadian aerospace and defence industry, seeking opportunities to maximize the economic impact of procurement related to investments in Canada's military and the Canadian Coast Guard.

The Agency will promote investment in Atlantic Canada's energy sector, including policy and regulatory changes designed to increase investment in offshore oil and gas exploration, and will focus on opportunities in federal initiatives around the environment and climate change to support the development of Atlantic Canada's clean energy assets.

Sub-Program 1.3.3: Coordination

Description

The Agency is mandated by legislation to coordinate the policies and programs of the Government of Canada in relation to opportunities for economic development in Atlantic Canada. The coordination function engages a range of economic partners to address the economic priorities of Atlantic Canada through a coherent and collaborative approach to development, including federal-provincial initiatives, round tables and expert panels. The Agency coordinates with other federal departments on regional development efforts and through the Atlantic Federal Council on Government of Canada priorities.

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
1,712,105	1,712,061	1,712,061

Human Resources (FTEs)

2016-17	2017-18	2018-19
13	13	13

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2016-17	Date to be Achieved
Coordination of partners in addressing the economic priorities of Atlantic Canada through a coherent approach to development	Percentage of Coordination activities that have met their objectives, thus contributing to the Coordination expected result	75%	March 31, 2017

Planning Highlights

ACOA's Coordination activities encourage partners to work together to address Atlantic Canada's common economic development. This coordinated approach empowers businesses and communities to effectively respond to emerging opportunities and key challenges. ACOA will continue to work with the four Atlantic provincial governments to identify common goals and priorities, and to support strategic Government of Canada objectives.

To help maintain a coordinated federal approach in the region, ACOA will continue to work with federal departments through the Atlantic Federal Council, which is chaired by the Agency's president. In 2016-17, the council will continue to provide regional intelligence to central agencies and advance Government of Canada horizontal priorities

within the region, including the Blueprint 2020 vision, people management, emergency preparedness and official languages.

ACOA will continue to work with other federal departments and collaborate within the Innovation, Science and Economic Development Portfolio, including with the other regional development agencies, to ensure the continued alignment of regional development policies with the Government of Canada's priorities. Multi-level collaborations with provincial governments will continue on issues such as improving entrepreneurial ecosystems, skills development and international business development.

The Atlantic Energy Gateway will pursue its engagement with key stakeholders such as federal departments, provincial governments, utilities and others involved in the energy sector. Areas of focus will include continued development of clean and renewable energy and policy issues that impact the availability of natural gas in the region.

The Agency's collaboration efforts with federal departments and provincial counterparts will address opportunities and challenges in both rural and urban areas in relation to developments in growth sectors and major projects. It will also pursue regional co-operation with St-Pierre and Miquelon and coordinate a number of targeted engagement activities, such as through the Public Servant in Residence Initiative at Memorial University. Tourism Atlantic will bring a coordinated approach to strengthen tourism development by focusing on the increased productivity and sustainability of this industry.

Finally, ACOA will participate in various senior-level Government of Canada committees such as the Privy Council Office's Innovation Hub. The Agency will also encourage and facilitate collaboration between federal departments and contribute to a better understanding of Atlantic Canada, which will lead to new opportunities in the region.

Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017-18 Planned Spending	2018-19 Planned Spending
25,790,487	25,790,487	25,789,736	25,789,736

Human Resources (FTEs)

2016-17	2017-18	2018-19
207	207	207

Planning Highlights

ACOA will continue to implement initiatives that will strengthen and improve the Agency's capacity to deliver efficient programs and services. Focus will continue on implementing common business processes and systems supporting government priorities such as human resources, information management, information technology and finance while placing renewed focus on service to clients, security and business value over costs. The Agency will continue to collaborate with other regional development agencies in exploring opportunities for improvement toward the efficient delivery of programs and services to Canadians. ACOA will address the priorities identified through the 2014 Public Service Employee Survey, a core component of the Agency's Blueprint 2020 plan. This includes supporting career and leadership development, empowerment and building a healthy, respectful and supportive workplace. The Agency will also continue to focus on reinvigorating its recruitment efforts while also integrating the Public Service Commission's new approach to staffing for the Core Public Service.

In support of accountability, evidence-based decision making and continuous improvement, ACOA maintains a strong focus on results and impact through ongoing performance measurement and evaluation of its programs and services. To support the organization's culture of results-based management, the Agency will ensure a robust performance measurement framework is in place and will implement ACOA's five-year evaluation plan.

ACOA will coordinate and lead its annual integrated planning process to ensure that its planning activities remain aligned with Government of Canada priorities and the Agency's mandate and budgetary resources. The Agency will also ensure the integration of human resources, risk management, performance management and evaluation considerations into its planning and decision-making processes.

The Agency will continue to implement its 2015-2018 Values and Ethics Strategy to ensure that values and ethics remain at the foundation of its corporate culture and will support open dialogue at all levels of the organization.

ACOA will support the Government of Canada's plan for an open and fair government by implementing Year 1 measures outlined in its Open Government Implementation Plan and by seeking employee engagement in effective information management practices.

Section III: Supplementary Information

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of ACOA's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Report on Plans and Priorities are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes (including a reconciliation of the net cost of operations to the requested authorities) is available on the Agency's website.

Future-Oriented Condensed Statement of Operations for the Year Ended March 31 (dollars)

Financial Information	2015-16 Forecast Results	2016-17 Planned Results	Difference (2016-17 Planned Results minus 2015-16 Forecast Results)
Total expenses	224,271,733	242,465,665	18,193,932
Total revenues	20,503	17,461	(3,042)
Net cost of operations before government funding and transfers	224,251,230	242,448,204	18,196,974

Total planned expenses for fiscal year 2016-17 are $242.5 million, an increase of $18.2 million compared to the 2015-16 forecast results. The projected increase is mainly attributable to new funding for the CIP 150, and increased funding from higher collections on repayable contributions. Of the planned expenses, $103.0 million, (42.5%) will be spent in the Enterprise Development program, $99.5 million (41%) in the Community Development program, and $12.4 million (5.1%) in the Policy, Advocacy and Coordination program. Internal Services represents $27.6 million (11.4%) of planned expenses. The planned expenses do not include unconditionally repayable contribution transfer payments, which are estimated to be $62.0 million. These are classified as assets.

Total revenues represent a gain on the disposal of tangible capital assets.

List of Supplementary Information Tables

The following supplementary information can be found on the Agency's website:

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs of $5 Million or More
- Disclosure of Transfer Payment Programs Under $5 Million
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the *Tax Expenditures and Evaluations* publication. The tax measures presented in that publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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Canada

Courier address:
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Canada

General inquiries: 506-851-2271
Toll free (Canada and the United States): 1-800-561-7862
Facsimile: 506-851-7403
Secure Facsimile: 506-857-1301
TTY: 1-877-456-6500
Access to Information/Privacy: 506-851-2271

http://www.acoa-apeca.gc.ca/Eng/Pages/Home.aspx

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priority: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

TTY: A teletype or teletypewriter (TTY) is a special device that lets people who are deaf, hard of hearing, or speech-impaired use the telephone to communicate by typing messages back and forth to one another instead of talking and listening. A TTY is required at both ends of the conversation in order to communicate.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures: Expenditures that Parliament approves annually through an appropriation act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.